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diversity of citizenship, the defendant having been merely "adopted" in Arkansas with the privileges of a domestic corporation but "not incorporated as such." A dictum added that defendant could not become a corporation of Arkansas for purposes of citizenship unless created out of natural persons whose citizenship could be imputed to the corporation itself." The *Whitton* case (*supra*) was, however, expressly distinguished on the ground of actual incorporation in Wisconsin, while HARLAN, J., dissenting, thought there had been such incorporation in the case at bar. Next came *Louisville N. A. Co. v. Trust Co.* 174 U. S. 552 (1898), a bill in equity by a corporation of Indiana, also incorporated in Kentucky, against a citizen of Kentucky. Suit in the District Court was allowed, the dictum of the previous case being confirmed, and the rule laid down that a corporation remains for jurisdictional purposes a citizen of the State where it was originally incorporated.

The rule so given has but recently been applied in *Walters v. The C. B. & Q. R. R. Co.* (*supra*). Defendant, originally incorporated in Illinois, had subsequently become a domestic corporation under the laws of Nebraska. A citizen of Nebraska sued in the Nebraska courts. *Held*, defendant may remove. Its citizenship remained that of the State of its original creation, it having been created in Nebraska out of an existing foreign corporation. "It was the citizenship of defendant that determined the jurisdiction of the Court, and not the question whether it was a corporation in Nebraska.

CONSTITUTIONAL LAW—TAXATION—DISCRIMINATION AGAINST NON-RESIDENT STOCKHOLDERS.—It has been recently held in Connecticut, (*State v. Travelers' Insurance Co.*; see RECENT DECISIONS) that a State tax may be levied on domestic corporations on the basis of the value of shares held by non-residents.

In the opinion of the court it seems to be assumed that the tax in question fell on the individual non-resident stockholders because of their obligation to reimburse the corporation for an expense specially incurred on their account. No statute is cited which provides for such reimbursement. If the corporations paying the tax could not legally enforce such reimbursement by the exercise of a lien on dividends, or otherwise, the tax would simply be one on domestic corporations classified in a certain way. No question could be raised as to the constitutionality of the tax. For, as the court explains, there is no provision in the constitution of Connecticut that "taxation shall be uniform and equal," and in the absence of such a provision there is no State limitation on the legislative power which can enable the courts to declare unconstitutional laws classifying persons or property and discriminating between these classes when laying the burden of taxation. *Knowlton v. Moore*, 20 Sup. Ct., 747 (1900); nor does the XIVth amendment, U. S. Const., limit the taxing power of State legislatures in this particular—*Slaughter House Cases*, 16 Wall. 36 (1872); *Maxwell v. Dow*, 20 Sup. Ct., 448 (1900).

But if we accept the view of the Court as to the effect of the law; if the tax is to be regarded as falling on the individual non-resident stockholders, the corporation acting merely as agent for payment, it is submitted that the law in question violated Art. IV, Sec. 2, U. S. Constitution ("the citizens of each State shall be entitled to all privileges and immunities of citizens in the several States"), and that the reasoning of the court is open to question. The court argues: (a) that "privileges and immunities" under Art. IV, Sec. 2, are "those civil rights belonging to all citizens of the State" "by virtue of their citizenship"; (b) that uniformity of taxation could not be insisted on by citizens of Connecticut among themselves; that the legislature could divide them into classes on the basis of residence within the State and tax these classes unequally; (c) that therefore the legislature could classify shareholders in its domestic corporations on the basis of residence in and out of the State and might tax these two classes differently. There is here a *non sequitur*. We cannot say that because A has only those rights which B has, and B has not right X, therefore A has not right Y. Citizens of Connecticut may not have the right to insist on "uniformity" and "equality" in taxation of classes within the State; but they can protest against special taxation. Now it is this right to immunity from special taxation which the statute in this case invaded. Each non-resident was taxed differently from all citizens of Connecticut, without regard to classification of citizens within the State. [For a case where non-residents were properly classified, see *Redd v. St. Francis*, in 17 Ark., 416 (1856)]. This amounted to special taxation of each non-resident shareholder. For "special taxation," if used within reference to A. B, a citizen of Connecticut, would mean that A B, without regard to classification of citizens within the State, had been taxed differently from all other citizens of the State.

TAXATION—SITUS OF STOCK.—It was further contended by the Court in *State v. Traveler's Ins. Co.*, that by purchasing shares of stock in a domestic corporation, non-residents participated in the grant of a corporate franchise; that the discriminating tax was incidental to the grant (the defendant's charter in this case was amendable or repealable at pleasure); that, therefore, the obligation to submit to the discriminating tax was incidental to the acceptance and enjoyment of the grant. Can a distinction, then, be drawn between natural tangible property, and property artificially created by the Legislature? May a State impose a special tax on shares of stock in one of its own corporations, when owned by non-residents, on the ground that the State created the property? It is submitted that this theory (25 Am. and Eng. Cyc. of L., 664) is unsound and finds no support in those cases cited to sustain it, which recognize only the power of the State to fix the *situs* of shares in a domestic corporation within the State for purposes of taxation, to the extent of separating this *situs* from the residence of the owner. This